

**COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES**

**THE CAMPBELL SOUP COMPANY SUPPORT FOR THE FREE TRADE  
AGREEMENTS OF COLOMBIA, PANAMA AND SOUTH KOREA**

This statement is submitted by the Campbell Soup Company (Campbell), headquartered in Camden, New Jersey, in response to the January 18, 2011 Committee on Ways and Means request for comments on the pending free trade agreements with Colombia, Panama and South Korea and the creation of U.S. jobs.

**I. ABOUT CAMPBELL SOUP**

Tracing its heritage back to 1869, Campbell is a global manufacturer and marketer of high-quality foods and simple meals, including soups, baked snacks and healthy beverages. Its portfolio includes retail and food service brands including *Campbell's*, *Pace*, *Prego*, *Swanson*, *V8* and *Pepperidge Farm*. Campbell products are sold in 120 countries around the world. Campbell employs nearly 20,000 workers and operates more than 75 facilities in over 22 countries. Its annual revenue exceeds \$7 billion, and the company is a major consumer of U.S. agricultural and farm products.

**II. EXECUTIVE SUMMARY**

Campbell is committed to a vigorous trade liberalization agenda for the United States and strongly endorses prompt Congressional review and passage of the three pending free trade agreements. The Colombian and Panamanian FTAs will, when implemented, immediately eliminate tariffs on most of Campbell's products. This will directly benefit hundreds of U.S. jobs not only at Campbell but for U.S. farmers and ranchers that support the company's processed food and beverage exports.

**III. COLOMBIA, PANAMA AND KOREA FREE TRADE AGREEMENTS**

**A. The U.S.-Colombia FTA**

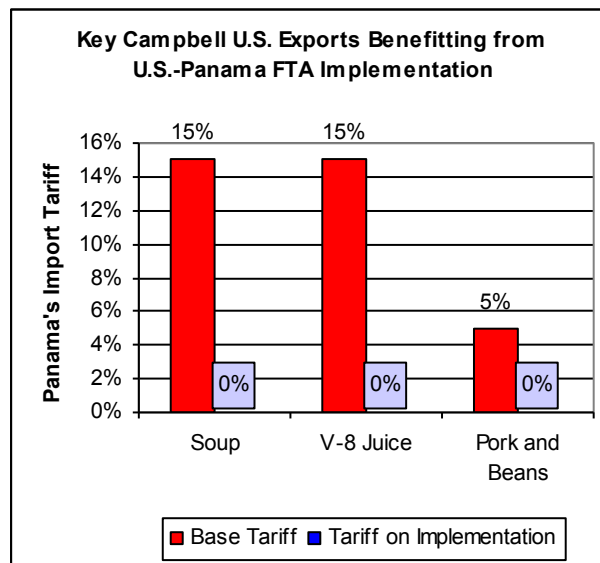
Campbell's products currently face an extraordinarily high 20% tariff in Colombia on all of its major products. When implemented, the FTA will **immediately eliminate Colombia's tariffs on all of Campbell's major products**, including: 1) condensed soups; 2) V-8™ vegetable juices; 3) V-8 Splash™ fruit juice beverages; and 4) Pepperidge Farm™ distinctive cookies and Goldfish snack crackers.

Tariff elimination will offer new opportunities for U.S. exports and contribute to value-added jobs for U.S. suppliers and farmers. For example, all of the soups exported to Colombia are currently manufactured in Robeson County, Maxton, North Carolina, which has one of the highest unemployment rates in North Carolina and in the United States. Duty-free access to Colombia's important soup market should increase these exports and, at the minimum, protect, if not increase, the 900 jobs at this facility. Duty-

free access will introduce competitive advantages for U.S. suppliers over comparable products manufactured in the European Union and other countries which do not have an FTA with Colombia. Campbell's expects increased U.S. exports of millions of dollars annually, benefiting workers not only in North Carolina but in facilities in New Jersey, Ohio, Texas and California, as well as the thousands of workers employed by other American processed food manufacturers and American farmers.

## **B. U.S.-Panama FTA**

The Panama FTA is a success story for Campbell as Panama's 5% to 15% base rate tariffs on U.S.-produced pork and beans, canned soups and vegetable juices will be eliminated upon implementation of the agreement.



Campbell estimates its U.S. exports to Panama will increase several million dollars annually with the implementation of the U.S.-Panama FTA in 2011. This increase will directly benefit U.S. workers and farmers in Napoleon, Ohio, Maxton, North Carolina and Paris, Texas.

While a relatively modest market, Panama's economy is strong and viewed as an important growth market for Campbell's business in the Americas. For example, Panama is the largest importer of pork and beans in the region.

## **C. U.S.-Korea (KORUS) FTA**

As this country's seventh largest trading partner, South Korea is an important and growing market for U.S. processed food and beverage exports. The KORUS FTA is significant in that over one-half of all food and agriculture exports to Korea will be duty-free upon implementation of the agreement.

#### **IV. SUMMARY**

The current tariffs imposed on Campbell's products in Colombia, Panama and South Korea are a major impediment to increasing U.S. exports and to maintaining and increasing U.S. jobs. Campbell urges the U.S. Congress to approve all three FTAs in 2011 so that they can be implemented by January 1, 2012. This is particularly important in light of the rush by other countries to secure their own FTAs with Colombia, Panama and Korea.

Respectfully submitted,

A handwritten signature in dark ink, reading "Kelly Johnston". The signature is written in a cursive, flowing style.

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